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Introduced by Senator Harman

March 7, 2011

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Senate Resolution No. 11—Relative to Senate Rules 22.1, 22.2, and 22.3.

1     *Resolved by the Senate of the State of California*, That Rules  
2     22.1, 22.2, and 22.3 are added to the Standing Rules of the Senate  
3     for the 2011–12 Regular Session, to read:

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5             Bills with a Statewide Economic Impact

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7     22.1. (a) The Committee on Rules shall refer each bill to the  
8     Committee on Appropriations to review and determine whether  
9     the bill may have a statewide economic impact affecting business.  
10    The referral shall not affect any other referral made by the  
11    Committee on Rules to any other policy committee or the  
12    appropriations committee.

13    (b) If the Committee on Appropriations reviews and determines  
14    that a bill does not have a statewide economic impact affecting  
15    business and is not otherwise appropriately before the committee,  
16    the bill shall be placed on the committee’s consent calendar and  
17    passed out of the committee. However, if the committee determines  
18    that the bill may have a statewide economic impact affecting  
19    business, the bill shall remain with the committee until approved  
20    by a vote of the committee.

21    (c) (1) In determining whether a bill has a statewide economic  
22    impact affecting business, the Committee on Appropriations shall  
23    consider, among other factors, whether the proposed bill would  
24    impose either a tax or a fee; directly provide for the regulation of  
25    a specific industry; provide for environmental mitigation or

1 regulation; add burdens to the state economy; impose additional  
2 burdens on insurers; increase workers' compensation, disability,  
3 or health insurance requirements; or affect housing costs or the  
4 housing market.

5 (2) The Committee on Appropriations shall construe bills  
6 broadly in favor of a determination that a bill has a statewide  
7 economic impact affecting business.

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9 Committee on Appropriations Economic Impact Analysis

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11 22.2. (a) The Committee on Appropriations shall prepare an  
12 economic impact analysis on each bill that may have a statewide  
13 economic impact affecting business prior to hearing the bill.

14 (b) The economic impact analysis shall include all of the  
15 following:

16 (1) An estimate of the number of businesses that will be subject  
17 to, or affected by, the bill.

18 (2) The estimated annual average cost of compliance by a  
19 business that is subject to, or affected by, the bill.

20 (3) A description of reasonable alternatives that would lessen  
21 any adverse impact on a business subject to the bill, including the  
22 following:

23 (A) The establishment of less burdensome compliance or  
24 reporting requirements for the businesses.

25 (B) The establishment of less burdensome schedules or deadlines  
26 for compliance or reporting requirements for the businesses.

27 (C) The consolidation or simplification of compliance or  
28 reporting requirements for the businesses.

29 (D) The use of performance standards for the businesses, instead  
30 of design or prescriptive standards.

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32 Hearings on Bills with a Statewide Economic Impact

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34 22.3. (a) After hearing testimony, the Committee on  
35 Appropriations shall place and hold on a suspense file any bill that  
36 is estimated to have an aggregate statewide economic cost to  
37 business of ten thousand dollars (\$10,000) or more in a fiscal year  
38 for consideration together with all other such bills at a date not  
39 more than one week prior to any applicable fiscal deadline in Rule

1 61, without prejudice. Bills on the suspense file may be moved to  
2 second reading only by an action of the committee.

3 (b) Any amendments proposed or accepted by the author of a  
4 bill that is held in committee pursuant to subdivision (a) shall be  
5 submitted no later than eight calendar days prior to a vote to pass  
6 the bill off the suspense file. Failure to meet this deadline shall  
7 result in that bill not being considered eligible for passage off the  
8 suspense file.

9 (c) An author shall present all testimony at the time of the first  
10 regularly scheduled hearing on a bill held in committee pursuant  
11 to subdivision (a).